**UNITED NATIONS**

**E**

**Economic and Social Council**

Distr.
GENERAL

E/ECE/1335
7 February 1996

ORIGINAL : ENGLISH

**ECONOMIC COMMISSION FOR EUROPE**

Fifty-first session
(Provisional Agenda item 6)

# CONSULTATIONS HELD BY THE CHAIRMAN OF THE COMMISSION WITH THE BUREAUX OF THE CHAIRPERSONS OF THE PRINCIPAL SUBSIDIARY BODIES AND THE WORKING PARTIES REPORTING DIRECTLY TO THE COMMISSION

Report by the Chairman of the Commission

## INTRODUCTORY REMARKS

1. By its decision B (47) the Commission invited the Chairman of the Commission, together with the Executive Secretary, to arrange consultations with the bureaux or the Chairmen of the Principal Subsidiary Bodies and the Working Parties reporting directly to the Commission, in order to identify difficulties in the implementation of their work activities, so as to ensure the most efficient use of existing resources. The Chairman of the Commission has also been invited to report on the results of the consultations at ad hoc informal meetings.

2. For the 1995-1996 inter-sessional round, the Chairman of the Commission expressed the wish that the consultations be built upon the foundation of the previous year's Chairman's Report, identifying four major recurrent themes on which the consultations should focus, namely:

(a) assistance to countries in transition, particularly how to enable better participation of those countries in the meetings and activities of ECE subsidiary bodies; how to keep them better informed of the PSB's activities and how the ECE can most effectively and efficiently contribute to the transformation of these economies;

(b) distribution of resources among ECE programmes and the need for supplementary funding through extra-budgetary resources; also in this context, the need to develop new forms and modalities of cooperation with the private sector, as well as the need for more flexibility in the use of ECE trust funds to the benefit of the countries in transition;

(c) adaptation of ECE priorities to today's needs;

(d) coordination of ECE and its subsidiary bodies with other organizations active in the region, particularly as regards calendar of meetings.

3. In addition, cross-sectoral synergies were to be identified and long-term objectives discussed, in the light of the Medium-Term Plan.

4. A total of 13 consultations were held with bureaux of PSB's including the Executive Body on Long-range Transboundary Air Pollution (LRTAP), between May 1995 and February 1996 (the consultation with the Bureau of the Conference of European Statisticians is scheduled for the end of February, after publication of this text), broken down as follows:

| | |
|---|---|
| Chairman, Ambassador R. Neagu | - 5 consultations |
| Vice-chairman, Ambassador L. Willems | - 3 consultations |
| Vice-chairman, Ambassador O. Sliptchenko | - 3 consultations |
| Vice-chairman, Ambassador B. Skogmo | - 2 consultations |

SUMMARY OF THE CONSULTATIONS

5. Some general remarks can be drawn from the consultations on these recurrent themes:

(a) The need for the PSBs to adapt their respective programmes to new realities and to take fully into account the concerns and priorities of transition economies has been strongly emphasized over the past two years. All consultations demonstrate that PSBs are responding to this demand for adaptation through adjustment in on-going activities as well as through new initiatives.

(b) Assistance to countries in transition is a preoccupation of all the subsidiary bodies. Their bureaux found of particular importance participation in meetings which help to establish a network of relations among specialists and they regretted that UN rules precluded the financing of travel of official representatives to regular meetings and that the lack of resources prevented participation of NIS. They also praised the workshops and the work of the regional advisers which they found important in increasing awareness of ECE activities and in helping in the implementation of norms, conventions and guidelines elaborated in ECE.

(c) The bureaux of the subsidiary bodies are well aware of activities of other organizations active in the regions working on similar issues. They stressed the specificity of ECE work, underlying complementarities and differences in membership and approach.

(d) The subsidiary bodies are aware that cross-sectoral issues have to be addressed, but it appears that they should not be treated formally under a routine agenda item taken up from one meeting to another. On the contrary, cross-sectoral issues should be identified first and addressed by the subsidiary bodies concerned in a selective and flexible manner on the basis of a jointly agreed programme.

(e) The consultations showed the concern for improving the organization of meetings, not only through a more focused agenda, but also through the shortening of their duration, with a view to increasing the level of participation and to maximizing opportunities to reach the decision-making sphere. A practical idea is to give more responsibilities to the bureaux of the subsidiary bodies and, if necessary, to enlarge them so that they can better prepare meetings, take care of routine matters and approve reports ad referendum.

(f) Cooperation with the private sector is intensifying and unanimously appreciated. It enables diversification of information, stimulation of exchange of ideas and experiences, better identification of needs and practical ways to meet them. it is also a potential source of funding for a number of activities of mutual interest. It was therefore felt that such cooperation between member States and the private sector in the ECE areas of competence should be actively pursued.

(g) All PSBs have highlighted the importance of their programmes of work and the need to secure resources for carrying them out. On the other hand, they have been informed of the objectives and the present stage of the exercise underway following decision A (50) para. 13. A number of PSBs are considering further possibilities of streamlining their work and maximizing savings. On the basis of previous consultations and the replies to the questionnaire addressed by the Bureau of the Commission, the dialogue will be pursued in order to explore more in depth the possible evolution of the work of the PSBs and help the Commission in making final decisions on strategic orientations for the future.

**1. Working Party on Standardization Policies**

(Consultation held by Ambassador R. Neagu on 23 May 1995)
Bureau: Chairman, Mr. S. Averin (Russian Federation); Vice-Chairman, Mr. C. Arvius (Sweden).

6. The Chairman of the Working Party described it as a unique forum for multilateral discussion of the role that technical regulation and standardization could play in preserving public health and safety, environmental protection and efficient use of resources. Concerning the latter, the Working Party held a joint session with the Steering Committee of the Energy Efficiency 2000 Project to review progress made on energy efficiency standards. The activities of the Working Party were particularly beneficial for countries in transition and it was encouraging to note that Estonia, Lithuania, Kazakstan and Kyrgyzstan had attended for the first time. Metrology was an efficient way of saving resources and a training programme in that field initiated by the Working Party was off to a promising start. It

was stated that the limited resources made available to the Working Party had been used in a most efficient manner whilst an increase in the secretariat travel funds for this programme was felt necessary.

7. Some major results of the fifth session were cited, including agreement on revised draft terms of reference and new title for the Working Party, review of the ECE Recommendations on Standardization Policies to be finalized and published in 1996, a fourth revision of the ECE Standardization List, the addition of a new element "Quality policy and competitiveness" to the programme of work, a programme of workshops and seminars and a decision to entrust the Rapporteurs with consideration of the possibility of converting some recommendations into a more legally binding form, e.g. conventions.

8. The Bureau was of the opinion that the value of seminars and workshops could hardly be overestimated: they were a most efficient way of conveying information to experts in countries in transition who could not afford to travel to Geneva. It was also pointed out that the ECE recommendations on standardization policies could undoubtedly be useful for experts in other regions. They had been established in close cooperation with the main international standards organizations (ISO and IEC) and could therefore be universally applicable.

9. It was noted that the European Union still insisted on having its certificates recognized in the Russian Federation without reciprocity. Mutual confidence in the technical competence and professional integrity of partner countries needs to be developed and in this context, the experience gained by some ECE countries of technical harmonization with EU Directives is very useful for other countries who are now only beginning the process. Finally, it was highlighted that standardization was a necessity if the further integration of the transition countries into the world economy was to succeed.

**2. Committee on Environmental Policy**

(Consultation held by Ambassador B. Skogmo on 31 May 1995)
Bureau: Chairman, Mr. K. Bärlund (Finland); Vice-Chairmen, Mr. V. Kostin (Russian Federation), Mr. D. Mount (USA) and Mr. I. Tokes (Hungary).

10. The Bureau of the Committee on Environmental Policy stressed that the Committee is focusing its activities on the promotion of pan-European cooperation and coordination in environment, assistance to countries in transition and environmental legislation.

11. The preparations for the Ministerial Conference "Environment for Europe" (Sofia, Bulgaria, 23-25 October 1995) provide an opportunity to develop regional environmental policy, cooperate and coordinate activities with other international organizations and institutions (EU, OECD, WHO/EURO, Council of Europe, UNEP, World Bank, EBRD, etc.) and involve other sectors, parliaments, business and industry and environmental NGOs.

12. New forms of interorganizational cooperation are being sought. The recent establishment by the Committee and WHO/EURO of a joint European Environment and Health Committee is an example of a new cooperative

arrangement in that regard. Building on the results of cooperation with the Senior Economic Advisers and the Committee on Agriculture, the CEP's Bureau is planning to strengthen links with the Committees on Energy and on Human Settlements and the Working Parties on Steel and on the Chemical Industry.

13. The importance was emphasized of developing a programme, in cooperation with OECD, of environmental performance reviews of countries in transition. Based on the results achieved in the preparation of pilot OECD reviews of Poland, Bulgaria and Belarus (in cooperation with ECE) and pilot ECE reviews of Estonia and one more country in transition, the Committee is expected to take a decision in 1996/1997 on launching a regular, full-scale review programme.

14. The role of demand-driven workshops in countries in transition and of the services of the regional advisor on the environment was also noted to be of assistance to countries in transition in strengthening their environmental management capabilities.

15. Further work of the Committee on environmental legislation was underlined as an instrument furthering convergence of environmental conditions and policies in the ECE region. This work was of interest to all member countries.

16. The need to strengthen the secretariat in servicing the "Environment for Europe" process and the development of the environmental performance review programme was stressed. The inadequacy of staff resources and travel funds in the Environment and Human Settlements Division was constraining these important activities. The role of providing voluntary contributions to the TFACT was also emphasized to facilitate the participation of experts from countries in transition in meetings under the Committee's auspices.

**3. Senior Economic Advisers to ECE Governments**

(Consultation held by Ambassador R. Neagu on 22 June 1995)
Bureau: Chairman, Mr. K. Puumanen (Finland); Vice-Chairmen, Mr. I. Kosír (Slovakia) and Mr. A. Swinarenko (Russian Federation).

17. The Chairman of the Commission underlined that the Senior Economic Advisers had already taken in the past important steps aimed at rationalizing their work. However, it was still essential to identify further possibilities of a more efficient use of time and resources.

18. Referring to the outcome of the thirty-first session, the Chairman of the SEA stressed that significant progress had been made in implementing practical proposals made during last year's consultations. Thus, the SEA decided that, as from next year, the report of the session, instead of being adopted by the session, will be prepared after the session by the secretariat under the responsibility of the Bureau. The preparatory meeting scheduled to take place at the end of January 1996 and the Bureau were invited to solve practical problems involved in the implementation of the new procedure. Instead of extending over a whole week, the duration of the annual session would be limited to three and a half days and would end on Thursday morning instead of

Friday afternoon as was the case until now. In a longer-term perspective, the final objective should be to further shorten the length of the annual session to three full days. It might thus be possible to attract a number of high-level experts who are at present deterred from attending a session which extends over a whole week.

19. Other possibilities of streamlining were considered by the Bureau of the SEA. They included a variety of measures, in particular the selection of topics to serve as focus for the discussion during the annual session (which could be reduced to one instead of two), the adoption of the programme of work (which should focus on proposed changes and not the totality of the programme), and the use of workshops and special meetings (which would make it possible to discuss outside the session a number of topics of a structural nature which are at present discussed during the annual session). With regard to the latter proposal, however, it was noted that the holding of meetings outside the annual session raised the problem of financing the participation of experts of transition countries in those meetings.

20. Further streamlining of activities could be envisaged but, under present circumstances, appeared difficult because of ECE procedural rules which impose specific agenda items on its PSBs, e.g. "matters arising from the Commission annual session" and "activities of other PSBs". It would be, therefore, desirable that these rules, which are at present applied uniformly to all PSBs, be adjusted to reflect the specific requirements of the various PSBs.

21. Concerning the participation in the annual session it was noted that an increasing number of countries are represented by several delegates from the capitals - an indication of the interest attached by ECE member countries, in all parts of the region, to the activities of the SEA. It was felt, however, that in view of increased ECE membership, it would be desirable to take measures in order to attract a larger number of countries in SEA regular activities.

22. It was stressed that the effectiveness of the work of the SEA strongly depends on cooperation with other international organizations and the avoidance of possible duplication of work in this respect. Referring to the experience of the last session, the Chairman pointed out that this cooperation could now be regarded as excellent. A good illustration was provided this year by IMF and OECD, both of which had accepted to provide discussion leaders for one of the topics selected by the SEA for the exchange of information. In addition to providing information on the activities of their respective organization in eastern Europe, representatives of other international organizations also participated actively in the discussion.

23. Concerning the dissemination of information relating to the work of the SEA in member countries, it was noted that the SEA plays a role in policy formulation. The importance attached by countries in transition to the activities of the SEA is explained by the fact that the annual session provides them with an opportunity to present some of the policy options under discussion in their respective countries and to discuss these policies with their colleagues. It is therefore essential to concentrate further the discussions on questions of direct interest to countries in transition.

24. The Chairman of the Commission stressed that the main purpose of the streamlining exercise under way was to increase the benefits derived by member Governments from SEA activities by focusing on the right issues. The Bureau had an essential role to play in this respect by identifying the areas of greatest interest to all member countries and by ensuring that the outcome of SEA meetings reach governments, particularly those of countries in transition.

**4. Committee on Human Settlements**

(Consultation held by Ambassador R. Neagu on 20 September 1995)
Bureau: Chairman, Mr. P. Gurtner (Switzerland); Vice-Chairmen, Mr. S. Brenke (Germany) and Mr. U. Christiansen (Denmark).

25. The Bureau of the Committee on Human Settlements outlined the most important present and future human settlements issues:

(a) The human settlements sector is a key factor in the national economy since in general total investment in buildings and technical infrastructure amounts to over half of all public investment in industrialized countries. Heavy investment also promotes trade, e.g, in technical know-how and technologies, building materials and construction activities. Furthermore, in countries in transition the privatization of land and real estate is and will be for the foreseeable future a major economic issue;

(b) Human settlements are also at the source of much environmental pollution. Policies often merely set out principles, concrete action is difficult to get going. Urban, regional and national planning to improve the relationship between society and nature has to be reinforced. Local and regional governments are involved in environmental issues mainly through their monitoring of industrial emissions and clean water. Urban transport and traffic have rarely been seen as environmental issues. Now local governments have become more active in environmental policy, but still have to work out territorially integrated and locally adjusted strategies;

(c) Human settlements are an important factor in the social fabric of a city, region or country. Homelessness is a growing concern in several ECE countries, as are social stability and migration. Specific measures are to be taken to face these challenges in terms of planning and providing suitable facilities and services.

26. For some time to come, there will be a great need for an east-west exchange of information in order to narrow, through forward-looking principles and actions, the gap in urban quality and housing standards between countries in the ECE region. To this end, countries increasingly request the Committee on Human Settlements to organize practical workshops and carry out studies on such issues as sustainable development, land administration, housing policies, urban renewal and housing modernization. The Committee's objective is to strengthen international cooperation in the development and implementation of human settlements policies striving towards environmental, economic and social soundness and sustainable development; to monitor and analyse the results of their implementation and coordinate these policies with overall national sustainable development objectives; build institutional capacity and

professional know-how; and support at the regional level the goals, commitments and the Global Plan of Action to be adopted at the Habitat II Conference to be held in June 1996.

27. The setting-up of a private sector advisory board to assist in the implementation of the Committee's programme of work was put forward.

## 5. Working Party on the Chemical Industry

(Consultation held by Ambassador O. Sliptchenko on 29 September 1995) Bureau: Chairman, Mr. J. Coupek (Czech Republic); Vice-Chairman, Mr. J. Parmentier (Belgium).

28. The Chairman of the Working Party commended the ECE secretariat for the high level of professionalism and competence in carrying out its activities. He then described the importance of the chemical industry and its products to all sectors of economic activity, and the efforts the industry is making in improving its environmental performance. He also noted the important evolution of chemical undertakings in the central and eastern countries of Europe from state-owned or controlled enterprises to privatized companies.

29. The Working Party on the Chemical Industry was considered to be a unique forum: it is the only organ where representatives of Government, industry and the international organizations meet to exchange views on crucial issues facing the chemical industry in the ECE region. The need to maintain and increase the interest from the private sector and in particular from western Governments was stressed, as well as the importance of actually being visible in the field. The Vice-Chairman of the Working Party noted the efforts being made by the Working Party for countries in transition, and while this is certainly laudable, he felt that balance must be sustained such that interest from the western parties is not sacrificed.

30. The Chairman also noted the direct commercial benefits some activities of the Working Party have had during study tours and workshops, where contracts between commercial enterprises were negotiated between participants; while this is clearly not a goal of UN activities it does illustrate the immediate practical effects some of the activities can generate. One additional benefit to participants in study tours is the personal relationships established during the close travel conditions, which clearly can show its value in further cooperation.

31. A very important part of the programme of the Working Party is its statistical reporting. These projects include The Chemical Industry - Annual Review, the newly revived Bulletin of Trade in Chemical Products, the Advance Version of the Annual Review, the Key Aromatics and Hydrocarbons Production Statistics and the five-year survey on Market Trends in Selected Chemical Products. The Chairman pointed out that during the past three years the secretariat of the Working Party has had difficulties in fulfilling its statistical programme due to a lack of statistical assistance - unique data is available but timing on processing personnel is very strained and publications are substantially delayed.

32. The development of the Chemical Industry - Sustainable Economic and Ecological Development (CHEMISEED) Regional Programme was noted and appreciated, with five activities underway including continuing projects (Regional Environment Management Centre for the Chemical Industry in Warsaw, Comparative data bank of chemical legislation in the ECE region) and limited duration projects (Seminars and Workshops; Pilot project demonstrating the environmental cleanup of selected sites polluted by chemicals).

33. Workshops assisting countries in transition are part of the activities of the Working Party. The Workshop on Restructuring and modernization of the chemical industry in countries in transition, to be hosted by the Government of Ukraine in 1996, was mentioned in this respect. Other assistance to countries in transition includes the Directory of Chemical Producers and Products, which provides visibility for these enterprises to potential customers outside their own marketplace. Difficulties encountered in finding adequate resources for processing data for this very successful publication were noted by the Chairman of the Working Party. The Vice-Chairman agreed that this programme is of major importance to countries in transition.

34. The importance of modern technology in the chemical industry should not be ignored by the Working Party in its activities in assisting countries in transition. It was also pointed out that its activities in assisting countries in transition should not be limited to development of the chemical industry itself, but should contribute to general economic growth in these countries, in particular through facilitation of their access to European and world markets in order to increase income from sales of chemical products.

35. The Chairman of the Working Party acknowledged this, and mentioned a Seminar on membrane technology and a Workshop on process integration as examples in the 1996 programme of work where modern technology is discussed and where aspects of such technology can be contributed by known experts from both developed and transition countries throughout the region.

36. Cooperation with the Regional Advisors is beginning, and two prospects have been raised directly between the Regional Advisor for Industry and Technology and the Working Party on the Chemical Industry, but these are still at a very preliminary stage.

37. The close cooperation between the ECE and the EU was noted, to the point of having direct financial contribution and in-kind support for the project of a comparative data bank of chemical legislation in the ECE region. A series of Round-table discussions initiated by the Working Party were also mentioned, bringing together members of NGOs, intergovernmental agencies, Governments and private sector participants on controversial issues facing the chemical industry.

38. Focusing on costs of the secretariat, it was noted that streamlining had already taken its toll in the Industry and Technology Division, and that further reductions could place the very existence of the group at risk. It was also noted that most external activities of PSBs are funded by host Governments, so that direct cost to the UN is kept to a minimum.

**6. Working Party on Steel**

(Consultation held by Ambassador O. Sliptchenko on 27 October 1995)
Bureau: Chairman, Mr. H.U. Meiswinkel (Germany); Vice-Chairman, Mr. L. Shevelev (Russian Federation).

39. The Chairman of the Working Party on Steel emphasized that, following the wishes of both Governments and industry representatives, work priorities had been progressively reorganized. The Working Party on Steel was efficiently working in the priority areas of the ECE and had successfully involved in its work steel industry and government representatives. This involvement was one of the keys of the success of the Working Party in its programme of assistance to the countries in transition.

40. The Bureau of the Working Party emphasized that delegations, particularly those of the countries in transition, felt that the Working Party on Steel was a unique forum for the exchange of views on the iron and steel industry. No other organization offered government and industry representatives the possibility to freely discuss on an equal basis economic, technological, market and trade issues. For restructuring and privatization, the countries in transition had access to and were making use of the western experience.

41. The very close cooperation with other organizations dealing with the steel sector (OECD, EU, IISI) was underlined. It was clearly shown by the Chairman of the Working Party that there was no duplication of activity with other organizations. On the contrary, other organizations used the publications and other activities of the Working Party as an important source of information.

42. To answer the demand of several countries, the Working Party, under the leadership of a group of high-level experts, had developed its regional programme "Metallurgy and Ecology" in the field of sustainable development of the steel industry and protection of the environment through seminars, workshops and a directory of the organizations dealing with the environment and the steel industry. Members of the secretariat had also been called on to act as technical advisers on the financial and managerial aspects of the restructuring of the steel industry in the countries in transition.

43. A project supported jointly by the World Bank, EBRD, the European Commission, the International Iron and Steel Institute (IISI) and the ECE, aims at giving for the first time ever a detailed picture of the steel industry in western, central and eastern Europe and a practical tool in the decision making of potential investors. It gathered government and steel industry representatives of all steel producing countries in eastern and central Europe and was using the combined expertise of different organizations.

44. The regular staff and equipment resources had decreased over the last four years. However, with the direct assistance of Governments and industry, which had provided on a long-term basis, highly qualified economists, personal computers and financial assistance, the activities had been reorganized and reoriented towards more practical and efficient assistance for the Industry.

The Chairman of the Working Party emphasized that during its session, the Working Party had requested the Executive Secretary to provide, without delay, statistical assistance in order to secure the very important statistical publications in the steel sector for Governments and industry.

**7. Committee on Energy**

(Consultation held by Ambassador L. Willems on 9 November 1995)
Bureau: Chairman, Mr. A. Gritsenko (Russian Federation); Vice-Chairmen, Mr. T. Alptürk (Turkey) and Mr. I. Gaf-Deac (Romania).

45. The Vice-chairman of the Commission noted that there were fewer participants than desired at the fifth session. It was stated that an effort should be made to improve this situation, particularly among the transition countries. The Bureau of the Committee noted the financial constraints faced by many transition countries which made it difficult for them to attend the session. The Vice-chairman of the Committee further stated that the Committee would benefit greatly from the participation of country representatives at the highest level who would bring a vision to the work of the Committee.

46. Concerning assistance to transition countries in the field of energy, the Chairman of the Committee noted the important role that the new Gas Centre was filling and also that for many transition countries, the ECE was the only international organization in which they were represented. Because of its importance in achieving economic integration within Europe, energy should be considered a priority for the transition countries and ECE should play an important role in setting out energy policy and strategies. It was further noted that the presently rigid structures of the energy sector in the transition countries needed to be changed and modernized, e.g. particular challenges were faced with the closing of coal mines in many transition countries.

47. Concerning other key areas of work under the Committee, the Vice-Chairman noted the need for a critical assessment of the strengths and weaknesses of the programme of work in the field of energy. The Bureau noted the importance of the work on European gas and electrical network interconnections, stated to be a key element in achieving supply-side efficiencies.

48. The Vice-Chairman of the Bureau stated that the main challenge faced by the Committee on Energy was to bridge the differing energy situations and energy interest among countries of the ECE region. The Committee should seek to enhance its work in cross-sectoral areas, represented by the success of the "Energy Efficiency 2000" project which involved industry as well as Governments. The Gas Centre was also pointed to as a promising area of endeavour. But concerning the work under the Committee on Energy, including its subsidiary bodies, the Vice-Chairman of the Commission noted that there was a need to identify the areas where the ECE had a comparative advantage in order to focus available scarce resources where the ECE can make the most effective contributions. In sum, there might be areas in the programme of work in which, in view of resource constraints at the present time, ECE involvement might have to be limited. In those areas, more intensive work might have to be carried out elsewhere.

49. The Chairman of the Committee emphasized that for the transition countries, energy was a priority area and that for them, work aiming at integration of the energy and industrial sectors was by far the most important work the ECE could undertake in that respect. He particularly underlined the importance of carrying out work on energy strategies and policies.

50. The Chairman of the Committee also underlined the need for additional resources. In response, the Vice-Chairman of the Commission stated that savings in meetings days was one way to conserve resources and also that the secretariat should concentrate its efforts on substantive work and papers.

51. The Deputy Executive Secretary emphasized the responsibility of the Bureau of the Committee on Energy to enliven the dialogue among countries concerning the energy situation and policies in the ECE region and further stated that to make the debate lively, synergy was needed with other international organizations.

**8. Timber Committee**

(Consultation held by Mr. T. Hildan representing Ambassador B. Skogmo on 16 November 1995)
Bureau of the Timber Committee: Chairman: Mr. G. Siegel (absent from the meeting); Vice-Chairmen, Mr. D. Darr (United States) and Mr. N. Burdin (Russia). For the Executive Committee of the FAO European Forestry Commission: Vice-Chairman, Mr. P. Csoka (Hungary).

52. The Vice-Chairman of the Committee underlined that it had adapted already to changing priorities which were, in the sector, questions of sustainable forest management, including follow-up to UNCED and the Helsinki Ministerial Conference, as well as the core programme of statistics, monitoring and analysis, including the timber trends studies. He proposed that the Committee's programme should identify more clearly a core programme of the above continuing topics along with a small number of topical projects. Next to these core activities, the Committee should have a number of projects of interest to countries, which should be led by those countries with minimum secretariat input.

53. It was stressed that the statistical work done by the Committee with FAO was unique and could not easily be replaced. International statistics for forestry and timber were coordinated by an Intersecretariat Working Group (ECE, FAO, EU, OECD, ITTO), to avoid all duplication. In 1996 the ECE/FAO questionnaire will become an ECE/FAO/EUROSTAT questionnaire.

54. The Bureau stressed the close cooperation between the Timber Committee and the FAO European Forestry Commission (integrated programme, joint subsidiary bodies, joint publications) which continued despite the withdrawal of the FAO staff from the joint division.

55. The economic importance of the timber sector and trade in timber and its products was also mentioned: $100 billion of world trade.

56. It was mentioned that the Environment Programme for Europe, approved in Sofia, in its forest section, endorsed a number of ongoing Timber Committee activities, including the data monitoring and analysis work.

57. The Bureau was of the opinion that because of the interlinked nature of the programme elements and the already very low level of resources, the current programme would not be viable with reduced resources.

58. In this context, the Executive Secretary drew attention to the "multiplier effect" of many parts of ECE's work, which was able to mobilize national resources in cooperative efforts. He also mentioned the desirability of finding new, possibly private, sources of resources which should be possible as the Committee had had high level and effective private participation.

59. The importance of effective communication within countries, notably with representatives at the Fifth Committee and other decision making bodies was stressed, so that they should be fully aware of the nature and value of the output of the Timber Committee and other ECE activities.

**9. Committee on Agriculture**

(Consultation held by Ambassador L. Willems on 21 November 1995)
Bureau: Chairman, Mr. K. Hirsch (Germany); Vice-Chairmen, Mr. A. Gazowski (Poland), Mr. I. Loupashko

60. It was recalled that, following the withdrawal of FAO staff from the Agriculture Section of the former Joint ECE/FAO Agriculture and Timber Division, arrangements were being made within existing ECE resources to ensure the continuation of the work on agriculture standards in the Trade Division without interruption. Work on food and agricultural statistics would continue to be carried out in the Statistical Division.

61. Specific reference was made to the Committee's discussions concerning the financial implications of the option to discontinue the Committee on Agriculture, retaining only the activities on standardization of perishable produce and agricultural statistics within existing secretariat resources (Option 1A). Reference was also made to Option 1B of additionally continuing Joint FAO/ECE Working Parties on Agriculture and the Environment, the Economics of the Agri-Food Sector and Farm Management within other ECE Divisions or, as Option 2, a possible merger of the Committee on Agriculture with the FAO European Commission on Agriculture.

62. It was recalled that the views of countries differed as to future activities in the field of agriculture. The European Union was of the view reflected as Option 1, variation A. In a spirit of compromise the European Union invited the Commission to consider the proposal for the merging of the ECE Committee on Agriculture and the FAO European Commission on Agriculture, in the light of FAO's offer to make some resources available and taking into account the constrained budgetary situation of ECE in 1996-97. This position was supported by the delegations of the USA and Switzerland.

63. The delegation of the Russian Federation, supported by the delegations of Poland and Ukraine, was of the view that the ECE Committee on Agriculture should continue its activities giving emphasis to the needs of member countries with transition economies, particularly those who were not FAO members, and the need for an all-European forum on agricultural policies and issues where all countries held equal membership rather than as observers as non-members.

64. Concerning the Questionnaire to ECE principal subsidiary bodies on the strengthening of economic cooperation in the ECE region, it was noted that the Committee's preference was foreseen in the areas of standardization of perishable produce, assistance to transition economies, and preparation of agri-economic studies.

65. Specific issues of possible duplication and overlapping of ECE and FAO activities in the field of agriculture were also considered. While some overlapping at the technical level was possible between the two organizations, FAO activities were mainly in the area of North-South relations. The FAO current restructuring at regional and sub-regional levels would improve its efficiency in the future. Regular consultations on cooperation in the field of agriculture held in recent years by ECE and FAO (together with OECD) were conducted with the aim of avoiding such overlapping.

66. It was underlined again that discontinuation of the activities of the ECE Committee on Agriculture would exclude some countries from participating in international cooperation in this field at the European level and would result in the loss of the agri-political aspects of such activities as well as in the termination of the two Joint FAO/ECE Working Parties, one on Agriculture and the Environment, and the other on Economics in the Agri-Food Sector and Farm Management. The intention of the Russian Federation to join the FAO in 1997 was also noted.

67. It was emphasized that future ECE activities in the field of agriculture would directly depend on the position of the ECE member States at the ongoing session of the Committee on Agriculture and at the forthcoming session of the Commission, and the availability of resources for ECE work in the field of agriculture.

## 10. Executive Body for the Convention on Long-range Transboundary Air Pollution

(Consultation held by Ambassador O. Sliptchenko on 1 December 1995)
Bureau: Chairman, Mr. J. Thompson; Vice-Chairmen, Mr. J. Beale (United States), Mr. L. Björkbom (Sweden), Mr. R. Mills (United Kingdom) and Mr. J. Zurek (Poland).

68. The Chairman of the Executive Body described in general terms the work programme and the achievements under the Convention, stressing that EB is an independent treaty body consisting of forty Parties, being serviced by the ECE secretariat and the UNOG Conference Services. In particular, he pointed to the successful preparation and implementation of five legally binding protocols developed under the Convention (1984, 1985, 1988, 1991 and 1994).

He also provided information on the decisions to initiate negotiations on three additional protocols in 1996 on nitrogen and related substances, heavy metals and persistent organic pollutants. It was noted that the work-plan of the Executive Body for the coming year included thirty-five agreed international meetings, which would impose a considerable strain on governments and the secretariat.

69. It was understood that the intergovernmentally agreed work-plan for 1996 and the envisaged similar, or further increased, undertakings for the following years must be taken seriously into account when setting future priorities for the ECE secretariat. Participants underlined the importance attached at high level to the Convention and it was pointed out that several bodies, like HELCOM and OSPARCOM, rely on the Convention for crucial input; and that UNEP has identified the work under the Convention as a stepping-stone for global action on persistent organic pollutants. Planned cooperation with ESCAP on air pollution was also highlighted.

70. The Vice-Chairman of the Commission, in recognizing the specific, sovereign nature of the Executive Body, noted the comprehensive activities under the Convention, its generation of several ministerial meetings, its increasing membership and its far-reaching scientific and policy-oriented network.

71. Bureau members and the secretariat clarified that the organizational structure under the EB consists at present of four main subsidiary bodies, two preparatory Working Groups and ten Task Forces. A Trust Fund for financing the implementation of the Convention was established in 1981 for handling mandatory, earmarked contributions for international coordination costs for modelling and evaluation under the EMEP Protocol. The annual EMEP budget is at present approximately US $ 1,900,000. A similar arrangement for effect-oriented activities is now being discussed. The annual costs of national contributions in kind for measurements, modelling, effect-monitoring and mapping under the Convention have been calculated at US $ 60, 000,000.

72. The Director of the Environment and Human Settlements Division described the recent restructuring of the Division, aiming at a more cost-effective integration of resources and expertise. Such an integration finds support in many current undertakings, e.g. intersectoral ministerial conferences, like the recent one in Sofia on Environment for Europe, and the planned one on transport and environment. He made it clear that the secretariat fully supports the Executive Body and, with reference to recent discussions in the Fifth Committee, that a transfer of the secretariat to UNEP would not be feasible or cost-effective. Bureau members confirmed that such a transfer would most likely lead to a serious drop-out of governments from the established and well-functioning cooperation, which might put further progress into jeopardy. It was also stressed that the secretariat, although very small, is a crucially important part of the full machinery under the Convention.

73. The Chairman of the Executive Body pointed out that the intergovernmental nature of the latter makes the direct involvement of private industry less relevant. However, a more developed interface with industry is being

contemplated, in particular in view of the fact that governmental obligations, entered into through Protocols, must be translated into national legislations and industry responses according to market principles. The engagement of the European Union with industry was seen as a possible vehicle for progress.

74. With regard to investments in the region, based on obligations of the Protocols, it was made clear that Protocols do not prescribe specific technologies for reaching the objectives, but rather give recommendations. Following the development from simple to differentiated agreements under the Convention, it was envisaged that industry might be more involved in possible third-generation agreements. The option of joint implementation of commitments may offer an interesting investment potential in some countries. To improve the flow of funds from financial institutions to countries with economies in transition, some promotional reference material may serve as a catalyst. The regional approach should be emphasized in this context.

75. In conclusion, Mr. O. Sliptchenko pointed out that the work underway in the Commission to define strategic directions of its future activities, reflecting new realities in the ECE region as well as budget capacity, should be taken into consideration in activities of the EB. He invited the EB to provide its view on strategic directions of the future activities of the ECE.

76. The Vice-Chairman of the Commission emphasized the need to encourage the participation of the private sector in carrying out the EB's programme of work. He also stressed that the EB's activities in assisting countries in transition should facilitate the transfer of technologies, *inter alia* their access to the most advanced ones which were necessary for reaching the objectives of the Protocols.

**11. Committee on the Development of Trade**

(Consultation held by Ambassador R. Neagu on 7 December 1995)
Bureau of the Committee on the Development of Trade: Chairman, Mr. M. Berinde (Romania), Vice-Chairman, Mr. W. Müller (Germany); Chairman of the Working Party on Facilitation of International Trade Procedures (WP.4), Mr. T. Blomfeldt (Finland); Chairman of the Working Party on International Contract Practices in Industry (WP.5), Mr. D. Winter (United Kingdom); Chairman of the Meeting of Experts on Data Elements and Automatic Data Interchange (GE.1), Mr. R. Walker (United Kingdom); Chairman of the Meeting of Experts on Procedures and Documentation (GE.2), Mr. D. Dima (Romania)

77. The Chairman of the Commission welcomed the CDT initiative to review its future activities undertaken during the current CDT session. He underlined the Bureau initiative to prepare a paper on future directions of the Committee's activities which was presented to the session. The paper resulted in concrete and pragmatic discussions on how and in what ways the secretariat could assist the transition economies in a more efficient way.

78. One of such possible directions will be more active involvement of private businessmen in the on-going activities of the CDT. For the first time in December 1995 private sector representatives took part in the round-table on Financing of Trade and Investment in the Countries in Transition.

Many of them expressed their interest in continuous cooperation with the ECE secretariat. In another development, the International Forum on Attracting Private Investment in Large-scale Infrastructure Projects in the Transition Economies organized in November 1995 under the auspices of the WP.5 attracted significant participation from business operators from all over the region (more than 300 delegates).

79. The Chairman of WP.4 reported on the re-engineering process which will eventually lead to a new body: a Centre on Facilitation of Trade. He explained how this Centre will be able to better serve the needs of member States and countries outside the ECE. Among areas of concern he mentioned cases when UNCTAD duplicates ECE activities in trade facilitation, although there is no direct overlapping between the two agencies, activities which complement each other well. He also noted the problem of insufficient resources and in particular referred to the necessity to keep the post of regional adviser assigned to this sub-programme.

80. The Director of the Division reported on the progress of the activities of the WP.1 and on the very positive position of all member States to maintain the activities on standardization of agricultural produce in spite of the problems regarding the ECE Committee on Agriculture, following the withdrawal of FAO financial support to this programme. She informed the meeting that the WP.1 at its meeting in November 1995 declared that its work should be fully integrated with the CDT activities.

81. The Chairman of WP.5 referred to the success of the International Forum on Investment in Infrastructure Projects and explained that one of its results was the establishment of a group of private experts which will work independently and prepare guidelines for the transition economies on new forms of project financing for consideration and approval by the WP.5. This new form of cooperation with the private sector, should it be successful, would help the secretariat to expand its activities without additional resources. He also mentioned that the main problem of WP.5 is the publication of already prepared guides which requires additional resources. He requested that the post of Regional Adviser assigned to the sub-programme on the development of trade should be maintained in 1996.

82. The Chairman of the Commission stressed the importance of a more practical approach to all activities and of turning the CDT into a forum where not only governmental representatives but also businessmen could meet to discuss their problems. Among other issues he stressed the necessity of carrying on follow-up meetings to track the already undertaken initiatives. He noted the importance of the East-West Investment News publication and said that he was not aware of any overlapping of this sub-programme with the DEAP or other organizations.

**12. Inland Transport Committee**

(Consultation held by Ambassador L. Willems on 19 January 1996)
Bureau: Chairman, Mr. Suvorov (Russian Federation).

83. The main activities of the Committee were reviewed. Particular emphasis was put on current difficulties in the application of the TIR Convention. As a collapse of the TIR transit regime would have a negative impact on international, especially east-west, transport and trade, the Committee had urged all parties involved in the operation of the TIR customs regime to abide exactly by the rules and implement the short-term measures taken by the Working Party on Customs Questions affecting Transport as well as the recommendations adopted by the TIR Administrative Committee. Furthermore, preparatory work for revising the TIR Convention had already started. In order to be able to carry out this work in a swift and efficient manner the Committee had requested that additional resources be redeployed to the Transport Division, invited contributions in cash and in kind from Governments and intergovernmental organizations and agreed to the establishment of a Trust Fund.

84. The preparatory activities of the Regional Conference on Transport and the Environment were reviewed, including the various kinds of results the Conference might produce such as legal instruments, a programme of action and a political declaration. Different opinions had prevailed among delegations as to the dates for the convening of the Conference: while one had expressed a preference for holding it in 1996 as originally scheduled, others supported the position to organize it in autumn 1997 because of the extensive preparatory work still to be undertaken and the timetable of transport meetings in 1997.

85. The activities undertaken in the context of the Committee regarding assistance to countries in transition were also reviewed, in particular the activities of the subsidiary bodies, workshops and seminars, work undertaken by the TEM and TER projects as well as the activities of the Regional Advisers. The assistance provided to transition countries covered, inter alia, the area of transport infrastructure, which is at the centre of the TEM and TER projects and includes likewise an extension of the international road, rail and combined transport networks to the Caucasian and Central Asian Countries, for which steps had been taken. In the non-infrastructural field, support had been given to reform countries on questions addressing the role of the State in transport in a market economy, transport legislation, border crossing facilitation, etc. These and other priority topics were envisaged to be addressed during future workshops of the Committee. It was also noted that there was a considerable and urgent need for the training of managers in the transport sector.

86. The question of resources was addressed. It was recalled that special measures for savings had been introduced on 15 September 1995 by the Secretary-General in order to cope with the United Nations cash flow crisis. The Committee had voiced its concern about the critical financial situation and underlined in this connection, in particular the need to fill, as soon as possible, the 4 professional posts which are currently vacant in the Transport

Division. As to savings which might be envisaged, it was emphasized that in view of the importance of the work carried out by the Committee in quantitative and qualitative terms, and taking into account the efficient use of staff in the Transport Division, the Commission should continue to give priority to transport related work and reflect this also in the budgetary assignments to the transport sector. The Chairman of the Inland Transport Committee underlined the extreme importance of the legal instruments developed by the Committee, particularly for countries in transition. In its endeavour to make the best use of existing resources through an even better rationalization of activities, the Committee had requested its subsidiary bodies to identify possible measures for savings without affecting the effectiveness of work. In response to the enquiry of the Bureau concerning draft international legal instruments which, after being elaborated by the experts, had not subsequently been ratified, it was explained that this concerned a very limited number of instruments developed in the past and that at present both Governments and the secretariat looked carefully at the interest of the issues to Governments before launching the elaboration of new legal instruments. The Bureau of the Commission also raised the question of further exploring the possibility of increasing external contributions from e.g. Governments, organizations or industry. It was agreed that this question would be further explored by the Committee.

13. Conference of European Statisticians - to be arranged.

---